

SUMMARY OF PRINCIPLE POINTS CONCERNING CSC RETIREMENT BILL
FOR DETAILED ANALYSIS SEE AGENDA

1. Provides for coverage of a larger number of Agency employees by Social Security. Agency has special arrangement with the Social Security Administration and the Internal Revenue Service which meets security requirements for the relatively small number of employees covered at present time. Increase to a larger number of employees would strain this arrangement from a security standpoint. Social Security Administration might not consent to use of present arrangement for a greater volume of employees. It appears desirable to seek a legislative basis for this special arrangement if Social Security coverage is extended as proposed.
2. Does Not Provide (1) for accelerated accumulation of service credit or for lowering the age of retirement which the Legislative Task Force has proposed. However, the White House Task Force has commented on this Bill to the Bureau of the Budget that provision be made for giving additional credit to U.S. citizen personnel who retire with 10 or more years of overseas service under this Act using the following formula:
 - a. 2% of the average salary multiplied by each year of service overseas, plus,
 - b. the standard formula for the remainder of the individual's creditable service.

Although approximately one year ago this subject was discussed with Mr. Kaplan by Agency representatives, the recommendation of this group did not contain special provision for overseas personnel. The White House Task Force and the Legislative Task Force are in agreement in the principle that special retirement provision be made for overseas personnel. They differ only in formula to be applied. A formal recommendation to the Bureau of the Budget at this time would undoubtedly carry great weight in view of the recommendations of the White House Task Force.

3. Retirement of Foreign Nationals

This became a matter requiring attention subsequent to the conclusion of the study by the Legislative Task Force. Both DD/P and [] have urged action to establish retirement coverage for Foreign National personnel. The White House Task Force commented to the Bureau of the Budget on the omission of this coverage and made two recommendations.

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The first: that the Civil Service Retirement Act be amended to include either; a, a new annuity formula for non-citizens; b, a general authorization for the CSC to establish a variable formula for non-citizen personnel. The second: that separate legislation be enacted to allow U.S. agencies to participate in foreign systems. It is believed that the Agency's letter to the Bureau of the Budget should endorse the first proposal, the second does not appear of any importance to the Agency.

Conclusions and Recommendations

That a letter to the Bureau of the Budget be drafted for appropriate Agency coordination recommending inclusion of provision of retirement coverage for U.S. citizen overseas personnel and foreign nationals and that provision be made regarding increase of Social Security coverage of Agency employees, and also covering other technical points, as necessary.